

INSIGHTS

BIG DATA:

POINT, COUNTER POINT, & COMMENT



THINK FORWARD.

Big data is a term used to summarize the collection and analysis of massive amounts of information. Organizations are getting progressively more skillful in using big data.

Smart phone apps, such as Waze, use GPS information to detect traffic patterns and navigate users towards a quicker route. The app can also notify its users of upcoming speed traps, stopped vehicles on the side of the road, and even potholes (especially useful for Western Pennsylvanians). Big data is also used to decode DNA, monitor nuclear physics experiments, tell you how many hours a night you spend snoring, foil terrorist plots, detect fraudulent financial activity, and figure out when you are low on dish washer detergent.

Point: Big data is thought to improve the speed of decision making. We are taught that sharing our data helps individuals and society achieve progress by optimizing processes. The more sensors we carry or install to gather data to be analyzed, the richer our lives will be.

Counterpoint: There are clear consequences to releasing so much information, especially the erosion of privacy. Recent cyber hacks have shown that data is not safe in the hands of certain actors, who can use it for malevolent means. By wearing sensors and devices, we connect to the internet and increase our vulnerability while naively assuming that this data won't be used to benefit individual interests. For instance, each device brought into the home increases the vast network of potential nodes that can be used illegally by intelligence operatives. Data is routinely sold to third party companies who use it to create targeted marketing. The cost is too great and big data is a serious threat to personal freedom and privacy.

Comment: The role of data analysis in productivity enhancement is well-documented, yet we often provide our data too easily (do you always read the fine print?). There are certainly industrial applications, but using big data to increase the consumer's quality of life or create productive growth is questionable. We are more vulnerable to cyber hacks and it may be prudent to adopt a more judicious tone when it comes to voluntarily providing data.

We conclude with one of the defining ideas that we keep at the forefront:

True transparency comes from access to abundant information. However, as sources of information grow exponentially, so does the level of individual bias and misinformation. It is important than ever to be a critic of information.

Also, as a quick aside, transparency is the destroyer of secrets.

Disclosures & Other Information

Articles posted on the Hunter Associates Insights page are provided for general informational purposes only. While we do our utmost to present fair, accurate reporting and analysis, Hunter Associates offers no warranties about the accuracy or completeness of the information contained in the articles. The materials and content on the Hunter Associates Insights page are not—and shall not be construed as— tax, personal financial planning, or financial advice. Please consult a qualified professional about your personal situation. The materials and content herein are not intended to provide tax, legal, accounting, financial, or other professional advice, and readers are advised to seek out qualified professionals that provide advice on these issues for specific client circumstances. The information presented in this article is current as of 3/01/2018. Hunter Associates is a member of FINRA & SIPC.